

**METHOD OF PROVIDING AN AUTOMATED PACKAGE RECEPTACLE
FOR THE RECEIPT, STORAGE AND PICKUP OF A PACKAGE AT A
RETAIL SITE AND FOR PROVIDING MARKETING AND OTHER
COMMUNICATIONS TO PACKAGE RECIPIENTS**

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CROSS-REFERENCE TO RELATED APPLICATIONS

This application is a continuation-in-part of pending Application Serial
Number 09/701,185 filed November 06, 2000 titled "Method Of Inducing A Purchaser
To Visit A Retail Outlet At A Remote Location And Of Inducing A Retail Outlet To Act
10 As Such A Remote Location".

This application claims the benefit of:

- 1) U.S. Provisional Application No. 60/173,739 filed December 30,
1999 titled "Further Methods Of Inducing A Purchaser To Visit A Store At A Remote
Location For Package Pickup And Marketing Opportunities"; and
- 15 2) U.S. Provisional Application No. 60/193,525 filed March 31,
2000 titled "Method Of Inducing A Purchaser To Visit A Remote Location And Of
Inducing A Retail Outlet To Act As Such A Remote Location".

BACKGROUND OF THE INVENTION

20 1. Field of the Invention

The invention is directed to a method of providing an automated package
receptacle for the receipt, storage and pickup of a package at a retail site. The invention
is also directed to a method for providing marketing and other communications to
package recipients.

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2. Description of the Prior Art

With the propagation of electronic commerce in society today, the need
for methods of delivery and return of purchased products becomes even more important.
In the past, a purchaser had the option of receiving a product through direct delivery
30 whether it was through the U.S. Postal Service or a commercial carrier. The purchaser
additionally had the option of having the purchased product shipped to an outlet directly
affiliated with the supplier of the product. However, frequently a delivery directly to the
residence of the purchaser was not practical since the purchaser was required to be home
to receive such a purchase or to make arrangements with a neighbor to receive such a

purchase. Furthermore, although the purchaser sometimes has the option of picking up the product at an affiliated outlet location, such locations may not be nearby and, therefore, not provide an attractive alternative to the purchaser.

5 A method is needed whereby the purchaser would benefit by traveling to a remote location and, for that reason, select such a remote location.

Furthermore, while remote locations, or stores, can provide convenient locations for package pick up they need an incentive to do so. Current consumer marketing is through mass media directed to a broad range of consumers, only some of which will have an interest in the products or services marketed. Direct telephone, mail
10 or e-mail campaigns are made to broad groups identified by general interest levels. With the advent of electronic commerce, marketing will become more targeted to groups of consumers likely to have an interest in the product or service being sold. However, with all existing marketing methods the product seller must first convince the consumer to come to the store and the product seller has little or no control over when the consumer
15 may visit the store. Better methods are needed to market to consumers just prior to a store visit as well as during and after such a visit.

Better methods are also needed to allow electronic commerce and traditional physical commerce to work together. A method is needed which will allow the physical store to capitalize on the electronic commerce purchase by using that
20 purchase to build physical store floor traffic and to provide cross-selling opportunities. Conversely, a method is needed to provide electronic commerce with physical outlet options for package delivery and return.

SUMMARY OF THE INVENTION

25 The invention is directed to a method of package storage and retrieval comprising the steps of:

- a) providing within a retail outlet a receptacle with a compartment capable of receiving, retaining and releasing at least one package deposited by a sender for pick-up by a recipient thereby beginning a transaction;
- 30 b) providing to the sender access to a compartment to deposit a pre-ordered package within the receptacle for a recipient; and
- c) providing to the recipient access to the compartment to retrieve the

package and thereby completing a transaction such that the compartment may be used for another transaction.

BRIEF DESCRIPTION OF THE DRAWINGS

Fig. 1 is a flow chart illustrating one embodiment of the subject invention
5 whereby the purchaser is induced to select a retail outlet;

Fig. 2 is a flow chart illustrating another embodiment of the subject invention whereby the retail outlet is suggested to the purchaser;

Fig. 3 is a schematic of a sample screen output that may be used by the purchaser to select a retail outlet and also be used for direct marketing to the purchaser;

10 Fig. 4 is a flow chart illustrating yet another embodiment of the subject invention whereby the retail outlet is provided with the opportunity to direct market to the purchaser; and

Fig. 5 is an isometric view of one design for the receptacle.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

15 Throughout this application, certain terms will be applied and the following definitions will add clarity to those terms.

The term "purchaser" or "customer" is an individual who, through the use of the administrator, will be visiting a retail outlet to pick up, or drop off, a product.

The term "supplier" or "seller" means a source, whether ultimate or
20 intermediate, of goods and includes, for example but not limited to, Internet sellers, catalog sellers, telephone sellers, and auction sellers at an Internet or other auction site, the Internet or other auction site itself, an Internet or other electronic cooperative, groups of sellers, common sales site, on-line mall or a similar combination of sellers, and the like.

25 The term "retail outlet" shall mean any commercial or non-commercial physical site open to the public. The term shall include not only all types of retail stores, but also, by way of example and not limitation, any financial institution, office, kiosk, mall or shopping center.

Furthermore, as used in this application the term "remote location" shall
30 include one or more retail outlets presented to or identified to the purchaser for product pick up or return.

The term "product" shall mean any item which a purchaser desires to have

shipped to himself/herself or to be returned or sent by him/her. The product may be either a private shipment such as a gift, or it may be a commercial shipment of an item purchased by the purchaser from an Internet site, catalog or other seller.

The term "retailer" represents a business entity which owns a retail outlet
5 that may be used for product pick up by a purchaser.

"Product pick up" is the process of a retail outlet accepting and holding, either itself or through the use of automated package pick up boxes, the purchaser's product and then the purchaser coming to that retail outlet and physically receiving the product.

10 "A carrier" is any commercial package carrier. The carrier could be the administrator itself, a retailer's distribution system or a product carrier unrelated to either.

"Advertising" or "marketing" means any means of communication with the purchaser of product information, marketing promotions, discount coupons, or a message. Advertising may be Web page based or e-mail based or based upon any other
15 medium of written, audio or visual communication which is directed at or accessed by the purchaser and not generally published. The term includes any advertising directed to an identified purchaser during the viewing of television or similar productions through an interactive device, and similarly during the use of hand-held audio and/or visual, interactive devices.

20 "Interactive device" is any means of communication whereby the recipient of the communication is identified and specific information, entertainment, or marketing may be sent to that recipient.

"E-mail" shall include not only e-mail, as it is commonly used as of the date of this application, but also shall include any audio or video e-mail now or hereafter
25 implemented. E-mail shall include a textual, audio, or video message directed to an individual. E-mail includes directed messages or any "always on" or other systems directed to a purchaser.

The term "Internet" shall include not only the present system of communication and electronic connection known as the Internet, and shall include not
30 only that system know as the World Wide Web, but shall also include any other system connecting and communicating with an identifiable purchaser, including telephone, satellite communication, individualized radio transmission, and individualized cable

television transmission.

The term "consumer information" shall include any information concerning a purchaser.

5 The term "direct marketing system" shall include the whole or any part of the system for communicating advertising, e-mail or other messages to the purchaser through an interactive device, regular mail, telephone, or other means.

The term "options display" is a Web page or other interface between the purchaser and the administrator where the purchaser inputs data, receives advertising and marketing, and makes selections.

10 The term "information" means any data concerning or identification of the purchaser, the source of the product being shipped, the product itself or the business or residential location of the purchaser.

Wherever the terms "his," "he" or "him" are used, it shall be deemed to include the female or gender neutral equivalent, and vice-versa.

15 The term "cross-selling" shall include the effort to sell any other item, product, or service to the purchaser picking up the product, whether or not the item, product or service actually relates to the product being shipped.

A "message" shall include any communication between the administrator, a retail outlet associated with product pick up, or other advertisements from any other
20 source and the individual. These may include, but are not limited to, e-mail, advertising, video, coupons, promotions, or audio communication. In addition to advertising, the term message may include information or other communications such as welcome message, thank you message, or instructions.

The term "administrator" shall mean a third party responsible for
25 providing relevant information to both the purchaser and the retailer or making arrangements between the purchaser and the retailer for product pick up or drop-off at the retail outlet, or arranging for product shipment by a carrier.

The term "reduced shipping cost" indicates the cost may be partially reduced or fully reduced such that the shipping cost to the purchaser is free.

30 The term "in-store credit" may take the form of a credit for any purchase in the retail outlet or the form of a coupon associated with a product in the retail outlet.

Fig. 1 illustrates a series of steps associated with the method in

accordance with the first embodiment of the subject invention.

A purchaser of a product using the Internet, a telephone, electronic mail or mail order has a variety of options in which he or she may receive the product including direct delivery to the purchaser's home or pick up by the purchaser at a specified outlet.

The inventors have discovered that it is possible to influence the outlet selected by a purchaser at which he/she will pick up a product by identifying the benefits of certain outlets to the purchaser and permitting the purchaser to then select from among these outlets in light of the benefits provided.

As illustrated in Fig. 1, a supplier receives an order for a product from a purchaser 10. Shipping of the product must then be arranged. Among the information received from the purchaser is the purchaser's address or other information sufficient to get a general or specific idea of the purchaser's location. The administrator now knows at least the name and general location of the purchaser. In certain instances, the administrator may know additional information that may be useful in marketing, such as the purchaser's spending habits, income, street address, etc.

With this information, an administrator identifies a number of different remote locations 15. Each of these remote locations has previously provided information on which type of incentives they are willing to provide to induce a purchaser or class of purchasers to visit their outlet.

As an example, the owner of a newly opened store is motivated to provide incentives to potential customers to visit and become familiar with the new store. Therefore, such a store might provide discounts, store credits or other incentives to motivate a purchaser to visit their store.

Such benefits to the purchaser/visitor may include, but are not limited to:

1. reduced shipping cost;
2. in-store credit;
3. the opportunity for the purchaser to inspect the product before it is picked up;
4. the opportunity for the purchaser to delay payment until actually receiving the product;
5. the opportunity for the purchaser to withhold payment if the

product is not acceptable;

6. the option for the purchaser to select an outlet at which to pick up the product;

7. the opportunity to select the most convenient remote location in which to pick up or return a product from among a plurality of outlets;

8. the opportunity to use a remote location for package pick up or delivery; and

9. the opportunity to receive reduced shipping cost of the product in exchange for a guaranteed purchase in the remote location.

While the benefits of reduced shipping costs and in-store credit will hereafter be discussed with reference to a suggested formula, it should be appreciated that the remaining benefits may or may not be made available based upon an evaluation of the same factors set forth in the formula.

Having identified the benefits considered to be important to purchasers, the administrator may now query each of a number of remote locations to see whether or not that remote location would be willing to provide all or some of these benefits to a purchaser or, in the alternative, provide additional different benefits to a purchaser to motivate him or her to visit their store.

The outlet may provide to the administrator a formula for establishing customized benefits to specific purchasers depending on the level of interest the outlet may have in attracting that type of purchaser or purchasers of specific product types into their outlet. Under these circumstances, once the administrator has this information, it would not be necessary to contact the outlet to determine benefits for each individual purchaser.

With a list of benefits attractive to one purchaser and a list of benefits which different remote locations are willing to provide, the administrator may now evaluate each remote location and identify to the purchaser each of the outlets with their respective benefits and the level of correlation of these benefits to the benefits attractive to the purchaser. Thereafter, the purchaser is permitted to select an outlet best satisfying his or her needs.

The administrator may then arrange for pick up or return of a product at that elected outlet. In return for providing benefits to the purchaser, the remote

location may receive one or more of the following benefits:

1. assurances that this specific purchaser will be visiting their outlet;
2. personal information on the purchaser and the product the purchaser intends to pick up or return;
- 5 3. direct marketing and advertising opportunities;
4. to a degree mutually agreed upon by the purchaser and the administrator, opportunities for the remote outlet to contact the purchaser, by e-mail or other advertising means, for marketing purposes;
- 10 5. the opportunity to cross-sell to the purchaser since the primary product has already been identified; and
6. a commitment on behalf of the purchaser to purchase in the outlet a minimum amount of merchandise to offset the benefit provided by the outlet to the purchaser. Such cost that might be associated
- 15 with this program would include the setup and administrative costs of the outlet in making arrangements to act as a pick up/delivery center or the cost of shipping to a remote location.

For arranging this introduction and marriage between the purchaser and a specific outlet, the administrator would receive some sort of incentive. One such

20 incentive would be a fee for each delivery or return by the purchaser at an outlet. For creating and/or carrying out the new direct marketing opportunities, the administrator would receive a fee from advertisers.

This method provides benefits to each of the parties involved. By utilizing this method, a retailer with "bricks and mortar" stores who has the desire to

25 make the Internet a business builder has the opportunity to bring in e-commerce customers to their stores to pick up their Internet purchase. These are customers who normally may not visit the retailer's store or would not normally visit the retailer's store at that time and, as a result, this provides an opportunity where none previously existed. Additionally, this provides to the outlet in-store floor traffic from individuals picking up

30 Internet-purchased shipments and the opportunity to build store loyalty and repeat visits with regular customers. With or without specific customer data, this provides the outlet with a highly targeted marketing opportunity for purchasers, whether regular customers

or not. Such marketing may be through the administrator to the purchaser, or directly from the retailer to the purchaser.

On the other hand, it permits the purchaser to determine what benefits are most important to him or her in picking up the product and, as a result, select an outlet that satisfies all or most of those desired benefits. While at first inspection it seems the most important benefit for many purchasers may be convenience of location, when a number of stores are available and each store has a location that is as convenient or nearly as convenient as the other, then other factors, such as benefits a remote location can supply, play a dominant role. Furthermore, benefits may be sufficient to induce a purchaser to travel to a less convenient location for pick up or return of a product. Alternatively, a purchaser may elect to always pick up or drop off packages at a single retail outlet where the purchaser makes other regular purchases and which store may provide shipping cost reimbursement or other benefits as a reward to such a regular customer.

The method according to this invention may be particularly effective for purchasers for whom immediate delivery is not a priority. As an example, working singles and couples for who in-store pick up is more convenient and safe than a shipment dropped off at a residence may prefer such a service. For some individuals, the picking up or returning of a product at a remote location may even provide faster delivery than when a product is directly mailed to the purchaser's residence. This is especially true when a product must be personally delivered to the purchaser and the purchaser is not available at the selected delivery times. Large corporations such as J. C. Penney's currently permit catalog pick up at their subsidiary, Eckerd Drug Stores. However, the primary selection a purchaser has is which of those Eckerd stores is most convenient. Moreover, at these stores, the purchaser may receive only a monetary discount associated with the reduction in shipping costs for shipping to a business as opposed to a residence.

The subject invention, on the other hand, provides incentives to purchasers beyond the actual reduction in shipping costs between a business and a residence. The subject invention also offers other benefits including, but not limited to, permitting the remote outlet to market other related or unrelated products to the purchaser prior to, or at the time of, visiting the remote location. These additional benefits can be provided by the outlet and, as a result, the outlet may influence a purchaser to pick up a

product at one outlet over another outlet. Investing money in such a method may be more effective than money invested in other forms of advertising since now the outlet will be able to direct advertising directly to the purchaser. The outlet is guaranteed a visit by a purchaser and the outlet has information about the purchaser they may use to influence a purchase at the outlet store by the purchaser. The ability to market to a purchaser guaranteed to come into the store is unique to this system.

Additionally, this provides an ideal opportunity for cross-selling products. Cross-selling is the activity of promoting a product or service that, when combined with the primary product, makes a better or complete solution. Cross-selling also includes the activity of promoting any product or service that the remote outlet, based upon the purchaser's characteristics and purchased products, believes the purchaser may be enticed to purchase.

While any marketing may be directed to the purchaser, it should be appreciated that communication to the purchaser may also be viewed by others in the purchaser's family or household, others sharing an Internet address or others sharing the same individual cable television address.

So far, the discussion has been directed to outlets in general, without distinguishing between them. An outlet, in one arrangement, could be a store that provides products completely different from the product (primary product) to be picked up by the purchaser. However, this is not the only criterion that may be used.

It is entirely possible for the purchaser to pick up a product at a location that sells that same product or competing products. The outlet has already lost the sale of that primary product to the purchaser and, as a result, has only to gain by the purchaser visiting the outlet. However, such a determination will be made by the outlet and it is entirely possible that an outlet carrying competing products may not wish to induce this purchaser to visit.

This method can also benefit advertisers unrelated to the retail outlet by giving them the opportunity to provide direct marketing to individuals who will be traveling in a known geographic area. For example, an advertiser may be located near the retail outlet. It also affords advertising by manufacturers of products sold in the retail outlet who for the first time will be able to market to a class of customers known to be coming into the retail outlet. Knowing future events will make this form of advertising

particularly beneficial.

The flow chart in Fig. 2 illustrates a second embodiment of the subject invention. Just as before, after a supplier receives an order from a purchaser 110, the administrator identifies a number of remote locations as the potential outlet for the purchaser 115.

Once again, for each location, the benefits to the purchaser are identified 120. However, a similar query is made of the remote locations that may act as outlets for the administrator to determine the benefits the outlet may receive from the visit by that purchaser picking up the product at their location 125.

Each remote location may provide to the administrator weighing criteria for each of many variables associated with, but not limited to, the value of attracting and marketing to such a purchaser. At that time, the administrator may assign a weight to the benefits sought by the purchaser and the benefits sought by the outlets 130. Using predetermined logic, such as that existing in a mathematical algorithm, one or more outlets may be selectively identified to the purchaser based upon the evaluation of these weights 135.

Using this method, it is possible for an outlet to be strongly suggested to a purchaser based upon not just the benefits received by the purchaser, but also the benefits received by the outlet. At that point, arrangements will be made for the purchaser to select an identified outlet 140, however, this selection will be presented to the purchaser in a manner influenced by these weighing criteria.

Thereafter, arrangements will be made for the purchaser to pick up or return the product at the selected outlet 145. The mathematical algorithm for storage and processing of data for this method is preferably performed utilizing software in which data will be entered and analyzed to produce a list of recommended outlets.

It should be appreciated that any number of factors may be evaluated by an outlet to determine the benefit that outlet is willing to provide to the purchaser. These factors include, but are not limited to:

1. the location of the purchaser;
2. the location of the participating outlet;
3. the type and size of product being purchased and shipped;
4. the actual shipping cost;

5. the shipping cost which the purchaser would have or might have incurred to have the product shipped directly to the purchaser's home or business;
6. the approximate time of pick up;
7. the purchasing history and other background of the purchaser; and
8. the identity of the supplier of the product being purchased and shipped.

In the alternative, it should be appreciated that any number of benefits may be evaluated by the purchaser to determine the benefit the purchaser will receive.

10 These benefits include, but are not limited to:

1. free shipping or the exact amount of in-store purchase in lieu of payment for shipping;
2. partially free shipping;
3. in-store credits or discounts;
4. free or partially free escrow and inspection;
5. product return services;
6. location of the outlet;
7. location of the package pick up site within the outlet,
8. the experience of the purchaser and the experiences of other purchasers (which may be summarized in a rating system) with a particular outlet as a package pick up site, and
9. the presence of an automated package storage and retrieval receptacle for convenient and quick package pickup.

25 To assist the purchaser in selecting an outlet, data may be presented in an organized manner. An individual purchaser will be able to sort and display available outlets graphically and in tabular form, such as on a computer screen, by location, distance, amount of in-store credits offered, discounted shipping, type of store, experience ratings, and other combinations of criteria and benefits. It should be appreciated that shipping may be completely discounted such that it is free. Furthermore,

30 in-store credits may be in the form of product coupons for use in the retail outlet.

As discussed, it is entirely possible for an outlet to provide to the administrator a weighing criteria. Such a weighing criteria may be applicable to each of

a number of variables including, but not limited to, the desire to attract a purchaser from outside of the normal drawing area for that outlet, the desire to attract a purchaser of such a primary product, or the desire to attract such a purchaser for any number of different reasons. As a result, the benefits provided to the purchaser by an outlet may be entirely dependent upon the desire of that outlet to draw the purchaser into their store. Therefore, one purchaser may receive completely different benefits than another visitor for visiting the same store. Using such a purchaser sensitive arrangement, it is possible to customize benefit packages to each purchaser to reflect the outlet's desire to have that purchaser visit their store.

In one embodiment of the subject invention, for each pick up transaction the administrator may calculate using a formula a unique incentive based upon weighing factors supplied by the participating retailers. One incentive may be the offer of reduced shipping cost, paid for by the participating retailer in exchange for an in-store purchase. In the event that other incentives are offered, adjustments can be made to the formula.

The six variables in this formula are: (i) purchaser name, (ii) product, (iii) store location, (iv) purchaser location, (v) time, and (vi) supplier identity. These are called the Transaction Variables.

The purchaser's name will be provided to the retail outlet. This variable will allow the retailer to match the purchaser with the retailer's own database of purchasers. Some retailers may choose a lesser incentive for existing purchasers on the theory that they need not make a special effort to attract that purchaser. Others will see not only the benefit of rewarding their loyal purchasers, but more importantly, the benefit of combining their existing database of purchaser specific data with the data provided by the administrator to direct market that purchaser when they know he is coming into the store, and his purpose. Of course, if a purchaser develops a history of only coming to a store when picking up a package, and then only purchasing low margin or loss leader products, the retailer will be able to identify that purchaser and reduce the incentive offered to him by adjusting the purchaser variable.

The product will be identified generally by auction sites where the category can be uploaded, and very precisely by large retailers which can provide a link to an exact product code. Individuals and cottage industries not selling through an auction site will be asked to categorize their product in a manner similar to auction sites.

Product identification will be used in two ways.

First, product identification will be used as a weighing factor as one of the Transaction Variables. Participating retailers will find that it is more desirable to attract purchasers of certain products to their particular stores. Conversely, some stores may want to reduce or eliminate incentives to purchasers purchasing products which compete with the store's own merchandise. In such a case, the store may be given an option of not participating as a package site for that product.

Secondly, product identification will be used by the participating retailer to identify cross selling products for promotion to the purchaser. This activity is unrelated to the formula.

Store Location will provide a variable for adjusting incentives based upon individual stores. Therefore, a new store, or a store in a market share battle with a new competitor, may be identified as offering greater incentives. On the contrary, a store which is maximizing its potential may be identified for less than the company wide norm of incentives.

Purchaser Location will be used by participating retailers in conjunction with individual store location. For example, the participating retailer may choose to offer increased incentives if the purchaser's home is located in a different zip code or more than "x" miles from a particular store. The system will permit retailers to choose specific zip codes for greater, or lesser, incentives.

Time is not expected to be a significant factor. However this variable will allow a participating retailer to adjust its level of benefits based on the season. For example, for packages to be picked up during the back to school season, an office supply store might offer additional incentives. The system will allow that office supply store to offer such additional incentives only to internet purchasers of toys, or only to those who have frequently had toys delivered through the system.

The identity of the supplier may be required by some participating retailers so that they can "lock out" participation as a package pick up or return site for products from competitors.

Because of the great number of variations which can occur with a number of product categories, a large number of stores, and a large number of purchaser location possibilities, it is anticipated that each participating retailer will have a company wide set

of basic criteria and only occasionally make changes for particular stores. The system will allow each participating retailer to authorize its store manager to make changes to the variable weightings for their store. Password IDs will be issued and companies will be able to establish parameters of discretion for the store manager.

- 5 One formula for the amount of in-store purchase required for free shipping is as follows (without an upper limit expressed):

$$\text{Shipping Cost} \div (\text{Transaction Variables} * \text{Cap. Rate}) = \text{In-Store Purchase}$$

- 10 where the Transaction Variables are the Purchaser Name, Product, Store Location, Purchaser Location, Time and Supplier Identity. When all Transaction Variables are set to 1, the normal capitalization rate will be used to calculate the in-store purchase required. The Transaction Variables, set at their neutral setting of 1 are:

- 15 $(\text{Purchaser Name}=1) * (\text{Product}=1) * (\text{Store Location}=1) * (\text{Purchaser Location}=1) * (\text{Time}=1) * (\text{Supplier Identity}=1)$

- If a discount store such as K-Mart were to choose a base capitalization rate of 10%, and the shipping cost was \$3.00 for a particular transaction, and the Transaction
20 Variables all were neutral, then the in-store purchase required for free shipping would be \$30.00 calculated as follows:

$$\$3.00 \div ((1 * 1 * 1 * 1 * 1 * 1) * .1) = \$30.00$$

- 25 However, if a discounter preferred purchasers purchasing toys and thus rated this product category at 150%, and rated a purchaser outside its zip code at 150%, the in-store purchase required for free shipping would be \$13.33 calculated as follows:

$$\$3.00 \div ((1 * 1.50 * 1 * 1.50 * 1 * 1) * .1) = \$13.33$$

30

 In this example, the resulting capitalization rate is 22.5%, which might be a closer approximation of the discount store's gross margin.

If any of the Transaction Variables were zero, then an in-store purchase for free shipping would not be offered for that particular class of transaction. The formula will allow the retailer to set an upper limit on the capitalization rate so that a too favorable combination of factors cannot cause too small of an in-store purchase for a given shipping expense.

Free shipping in exchange for an in-store purchase may be a unique and powerful method for building floor traffic, which does not have to cost the retailer anything. The amount of the purchase required will be dependent upon the five Transaction Variables as well as the capitalization rate.

Retailers may select a high capitalization rate in order to attract traffic. In-store purchases may be viewed not as sales upon which profit needs to be earned, but rather the sale of some product at cost in order to attract a purchaser for other profitable sales. In this sense, the administrator will market the free shipping alternative to the participating retailers as a “break even leader” as opposed to the “loss leaders” with which the retailers are already familiar. Thus, the capitalization rate should be set at the gross margin for the store.

Retailers may initially desire to price incentives based upon their operating margin, or even net profit margin. This is because the formulas are based upon margins, and the natural tendency of the retailer is to begin with its lowest margin in order to ensure that all of its costs are covered. The administrator will maintain that the proper percentage should be the store’s gross margin, or a figure near it.

When a retailer currently offers a low margin or loss leader promotion through traditional advertising, such as newspaper coupons, it considers only the cost of the product, not the firm’s operating expenses as well. If, for example, the retailer offers a tube of Crest toothpaste which costs \$1.00 for 95¢, then the retailer typically views this as a 5¢ expense. The retailer does not view this as a, say 15¢ expense by also including operating expenses. In other words, promotional products are generally viewed at their inventory cost. Since the formulas cannot know the actual products which the purchaser will purchase as their in-store purchase, the analogous figure for the formula is the retailer’s gross margin. As used in the system, the gross margin will, on average, produce a sale of in-store products such that after deducting for the cost of the shipping, the in-

store products were sold at inventory cost, similar to other incentive programs.

A retailer's gross margin is an average and the purchaser can select low margin merchandise for his in-store purchase. Recognizing that many stores may not wish to set the capitalization rate at their gross margin level, the system will encourage participating retailers to set a normal or basic capitalization rate as high as possible. One suggestion is to set the capitalization rate at the company's operating margin, and allow the incentives formula to increase that rate up to the gross margin, or a set point beyond that if acceptable to the retailer. The example does this if the retailer's operating margin is 10% and gross margin is 22.5%.

The formula will permit the product of the Transaction Variables to be restricted to a maximum amount. For example, if the Transaction Variables product was limited to 2, then the capitalization rate could never be more than twice the firm's nominal rate. Thus, if a firm's gross margin was 20% and operating margin was 10%, the firm might choose to set the nominal capitalization rate at 10% and permit attractive Transaction Variables to increase that figure up to 20%. The limit could also be a higher number, say 2.1 in the foregoing example, to permit a certain amount of "loss leaders" to be offered. Conversely, firms could set the nominal rate at their gross margin, with a cap at that figure, and use the Transaction Variables to reduce that figure.

An additional incentive for a purchaser to choose a retail outlet for package pick up could be an in-store credit or a payment to the purchaser to attract him to the store. Since the retailer would only pay if the offer were accepted, some retailers might desire such an incentive system.

In accordance with another embodiment of the subject invention, an in-store credit may be considered in conjunction with or as an alternative to reduce shipping costs.

In its simplest implementation the in-store credit would be the amount, on a company wide basis, which the retailer is willing to spend to bring people in the door. Retailers know this figure from their existing promotion experience. At the next level, the in-store credit would be the amount which the retailer is willing to spend to both bring people in the door and create the unique advance direct marketing opportunities.

For example, when opening a new store, the retailer may wish to give a substantial in-store credit to any purchaser in the general area. For a more established

store, the retailer may offer a low in-store credit to purchasers from the immediate area, but a high in-store credit to purchasers on the fringe of a particular store's market area. Those customers may regularly shop at a competitor's closer store. That competitor may also be a participating retailer. That competitor may also minimize the in-store credit and other incentives to its near-by customer. Now the Purchaser will have a choice: pick up nearby for a smaller incentive, or try the more distant store for a greater incentive. The scale may be tipped in favor of the retailer that knows best how to use the product and consumer information, and whether or not it will produce profitable cross selling opportunities. Retailers will be able to do all of this using a formula to calculate the credit.

The retailer would appreciate the fact that the in-store credit does not have to be offered equally to all prospects. Thus, since the in-store credit is not wasted on a purchaser who is not likely to be profitable, or on a store that does not need promotions for success, the marketing expense can be saved and instead used to increase the offered in-store credit where it can do the most good.

In order to enhance use of free shipping with an in-store purchase, the purchaser may be required to choose either the in-store credit or free shipping, but not both. However, if free shipping for an in-store purchase is not applicable due to seller paid shipping, the in-store credit would be an even more important incentive.

One formula for the in-store credit could be similar to the one used to determine the amount of in-store purchase for free shipping.

Each participating retailer would select a basic, or normal amount of store credit to attract purchaser traffic and create the direct marketing opportunities. The formula for in-store credit could be:

Transaction Variables * Normal Credit = Credit Offered

where the Transaction Variables, set at their neutral setting of 1 are:

(Purchaser Name=1) * (Product=1) * (Store Location=1) * (Purchaser Location=1) * (Time=1) * (Supplier Identity=1)

Such that if the Normal Credit = 50¢ then:

$$[(UN=1) * (Pr=1) * (SL=1) * (UL=1) * (T=1)] * (SI=1) * (Normal\ Credit=50¢) = 50¢$$

5 Each participating retailer will then be able to input its own company wide and store specific criteria for the four variables. For example, discounters may prefer purchasers who are purchasing toys and thus rate this product category at 150%, and rate purchasers outside its store's zip code at 125%, in which case the formula would determine an in-store credit as follows:

10

$$[(UN=1) * (Pr=1.50) * (SL=1) * (UL=1.25) * (T=1) * (SI=1)] * (50¢) = 94¢$$

which could be rounded to the nearest 10¢, or 90¢.

15 If both the Internet product type and the Purchaser's location warranted a 150% rating then the formula would be as follows:

$$[(UN=1) * (Pr=1.50) * (SL=1) * (UL=1.50) * (T=1) * (SI=1)] * (50¢) = \$1.125.$$

20 Rounded to the nearest 10¢ this would give a WTS in-store credit of: \$1.10.

Of course, by entering a zero in any variable the company will eliminate any in-store credit. Thus, for a store which was undergoing management difficulties the "SL" factor for that store may be temporarily set at zero.

25 As well as a method of inducing a purchaser to visit a store, the subject invention is directed to a method of delivering a purchaser to a retail outlet and providing the retailer with a unique, direct marketing system which is directed to that purchaser prior to his/her store visit and during the store visit.

Specifically, the retailer may attract a purchaser to the retail outlet by arranging shipping of a product purchased by that individual to a certain retail outlet. As
30 an example, the product may originate from a seller which is the same as, or related to, the retail outlet or from a seller completely unrelated to the retail outlet.

The outlet may be selected by the purchaser from a list of participating

retail outlets or may be recommended by the administrator or recommended by the seller of the product being shipped. Details of this arrangement have been previously discussed. At the retail outlet, the product will either be held in storage by store personnel or held in a product pick up box. To induce the retail outlet to receive product for pick up by purchasers, the retail outlet is entitled to directly advertise and to send e-mail to the purchaser who is known to be coming into the retail outlet within a defined time frame. The purchaser is known to be coming to the retail outlet because the administrator has arranged for the purchaser's product to be delivered to that retail outlet. The time frame within which the purchaser will be coming into the retail outlet is defined by the date shipping is arranged, the date the item is actually shipped by the seller, the speed of delivery selected, and the time period within which products are required to be picked up at the retail outlet after delivery. The actual time frame for product pick up will be much narrower, on average, as most purchasers will pick up packages shortly after delivery to the retail outlet, rather than wait until the end of the required product pick up period.

The combination of arranging for shipping to a retail outlet and the administrator's Internet, or other interactive device, connection with the purchaser creates a unique marketing product of floor traffic generation which is guaranteed to occur and creates a unique result of a direct marketing system to a purchaser known to be coming into the retail outlet. When information concerning the purchaser's Internet product purchased, the retail outlet from which it is purchased, and the purchaser's name and/or address is added to a database, the administrator then creates a unique collection of purchaser information concerning a purchaser who is known to be coming into the retail outlet within a defined time frame, and the further unique result of a direct marketing system to such a purchaser and forwards select information to the retail outlet. The retail outlet now may initiate direct marketing to the purchaser.

The combination of the floor traffic generation, advertising, customer information, and direct marketing, which are all directed to or concerning a specific purchaser known to be coming to the retail outlet within a defined time frame, constitutes one aspect of the subject invention.

In addition to payment and address information acquired in any shipping transaction, the purchaser using the administrator to arrange shipping will also need to

select a product pick up site. That purchaser will want to view the menu of benefits available to him/her.

A representation of the options display, which a purchaser might view, is attached as Fig. 3. This representation assumes a purchaser transaction such as, for example, an eBay auction where the purchaser is paying for shipping. Fig. 3 also shows the purchaser's options for in-store purchase in exchange for free shipping. If the purchaser were arranging shipping of a product purchased from a seller who provided free shipping using a slower ground delivery service, then "seller paid" will be displayed where the price for that level of shipping would have been and the "in-store purchase for free shipping!" would be replaced by, for example, "in-store purchase for two-day shipping!"

Fig. 3 also provides an example of the advertising which the purchaser will receive during the selection of a retail outlet for product pick up. The purchaser will be able to experiment with the selection of different retailers to see the benefits and promotions offered by each. Some advertisements may be dependent upon purchaser selection of different retailers for product pick up. Some advertisements may cycle through various messages from the group of retailers offering their retail outlet as a product pick up site to this particular purchaser for this particular shipping transaction. Some advertisements will be general advertisements not necessarily related to any participating retail outlet.

When the purchaser confirms a selection of shipping arranged by the administrator and, furthermore, has selected a retail outlet for product pick up, then the displayed Web pages will all include both general advertisements and/or retail advertisements for the retail outlet where the package will be picked up.

At the "click here for special values" location of the advertisements for the retail outlet holding the product, the individual may be directed to:

1. a separate Web page for that participating retailer which is located at the Web site of the administrator;
2. a separate Web page for that particular retailer which is located on the participating retailer's Web site; or
3. another location on that particular Web page.

After selecting "click here for special values", the purchaser may be given

general or specific advertising or promotions from the retailer or general or specific manufacturers' promotions given in conjunction with the retailer, or general or specific advertising independent of the retailer.

In a preferred embodiment, the information concerning the purchaser and his product for pick up will be matched with the retailer or third party data on likely cross-selling opportunities for products carried by the retail outlet plus any general or specifically created promotions available from the retailer or different product manufacturers to provide a specific set of advertisements and promotions for this specific transaction. In such a preferred embodiment, the specific set of advertisements and promotions for this transaction may be located on an individual Web page created just for that transaction. The goal of this type of advertising or e-mail may be to encourage the purchaser to view that individual Web page.

For example, the purchaser receiving the Nikon AF lens in Fig. 3 might, if selecting a general merchandise retailer such as K-Mart for product pick up, receive a general advertisement for film and developing, a promotion for production of enlargements from a provider such as Kodak offering its services through K-Mart, a promotion for picture frames from a manufacturer selling through K-Mart, a promotion for camera bags from K-Mart independent of any manufacturers' participation, as well as general advertising and promotions offered at that time at that specific retail outlet, or unrelated to that specific retail outlet.

Directing e-mail to the purchaser can occur at the moment shipping is arranged, when the administrator receives notification that the product has been shipped and is in the hands of a carrier, when the administrator receives notification that the product is delivered to a retail outlet, at any additional times between such shipping arrangement and delivery of the product to the retail outlet, and at any time after delivery of the product to the retail outlet.

The content of the direct e-mail may be the same advertisements and promotions as those described above, or a different set of advertisement and promotions, or directions to a specifically created Web page for this transaction which would display those advertisements and promotions.

Although the administrator could release the physical address or e-mail address of the purchaser to the retail outlet, in the preferred embodiment, the physical

address and e-mail address will not be released. Furthermore, the administrator will provide a marketing opportunity to the retail outlet associated with the product only during the shipping, delivery and product pick up experience. Thereafter, such advertising or e-mail will be provided only on a limited number of occasions. The purchaser is less likely to receive a continuing and uncontrolled volume of direct mail or direct e-mail and thus is more likely to use the system in accordance with the subject invention. All messages from the retail outlet associated with the product to the purchaser will be sent to the administrator with an identification for this transaction or class of transactions, and then sent to the purchaser by the administrator. Such messages may stand alone or may be combined with other administrator messages concerning shipment, transit status or delivery.

It should be noted that many other channels of communication with the purchaser beyond e-mail are available and may be used.

The e-mail from the retailer associated with the product passing through the administrator is uniquely valuable to the retailer. When this e-mail is sent prior to product pick up, it is directed to a purchaser who is looking forward to receiving it. Unlike other sources of direct mail marketing, here the purchaser has not only an interest in receiving e-mail concerning the status of a shipment, but a need to receive the e-mail indicating that the product is delivered and ready for pick up by him/her. In addition, whether or not the e-mail message is related to shipping status, the direct e-mail is uniquely valuable to the retailer as it is directed to a purchaser who is known to be coming into the retailer's store within a defined time frame and who has selected the retailer for package pick up.

When the purchaser picks up the product, a printout of advertising and promotions will be generated and delivered to him/her. Such printouts may be generated prior to package pick up. In addition, video and/or audio messages will be displayed before and after product receipt.

After product pick up, the retailer advertising and promotions will be included in a combined administrator and retailer message thanking the purchaser for using the system.

Advertising and e-mail messages may also be directed to the purchaser during the purchaser's Internet, or other interactive, connections which are unrelated to

the shipping transaction, and beyond e-mail as it is commonly now used. This may be made by means of identifiers, such as "cookie" technology, located in the purchaser's computer, interactive television, wireless device, or other interactive device which identifies the purchaser.

5 In such instances, the administrator will direct advertising from the retail outlet associated with the product pick up, and from other advertisers to the purchaser during the purchaser's other usage of his Internet connection.

Examples of this advertising are:

- 10 1. audio advertisements when using an Internet connection for radio reception or downloading music;
2. video advertising as a part of movie reception over the Internet;
3. video advertising in conjunction with reception of commercial television over the Internet or by means of a cable television system where reception may be individualized;
- 15 4. text, audio or video advertising when a purchaser accesses the Internet by means of a hand-held Internet telephone or other device;
5. text, audio or video marketing provided through an "always on" Internet connection such as a cable or modem or dedicated line or service; and
- 20 6. advertisements provided through any interactive television or communications medium where the purchasers' identity is known.

 In an alternative embodiment, the administrator will preserve the anonymity of the purchaser. The administrator will not release to the retailer, or others,
25 the name or any other data about the individual or, alternatively, will only release general information concerning the zip code location and type of product to be delivered. The administrator will then match the identity of the purchaser to predefined advertising and promotions from the retailer or other advertisers and create and send individualized advertisements and e-mail. An example is a further refinement of the example previously
30 described in this section. That example concerned the advertising a purchaser might receive when picking up a Nikon AF lens. In this expansion of that example, the retailer and service and product suppliers may set criteria and provide marketing material for

advertising to all purchasers arranging shipping of photographic equipment. The administrator would match this criteria and merge the material into individualized advertising or e-mail, including references to the purchaser by name, and the utility of the advertised products when combined with, or related to, the products to be delivered and
5 picked up. Such advertising may be provided to the individual by, for example, any of the methods described in the preceding paragraph.

The subject invention is equally applicable to small sellers or individual shippers who may come to a retail outlet to drop off a product for a shipment. In that case, the subject invention is similar except it is in anticipation of a visit to a retail outlet
10 for package drop-off. In that instance, the seller or individual shipper is not anticipating e-mail, however, it may be marketed in all the same ways. The administrator will have all of the same information concerning the seller or individual shipper as it would have information on the purchaser receiving a product including identification of the contents of the product to be shipped.

One unique element of the subject invention is the creation of a relationship between the purchaser and a retailer where the retailer knows that the purchaser will be coming to a specific retail outlet within a defined time frame. The administrator knows the identity and e-mail and/or Internet connection address of the purchaser and is able to create an individualized direct marketing relationship based upon
15 this knowledge. Such a marketing effort may be for the benefit of the retailer, or any others. Additionally, as a result of information available from the shipping and product pick up experience, an integrated marketing effort may be compiled for a purchaser who is known to be coming into a specific retail outlet.

As a further inducement for a retail outlet to accept and hold a package
25 from a remote location, for later pick up by a purchaser, the purchaser may exchange personal information for free or reduced cost shipping and/or the ability to use a particular outlet as a package pick up site. The purchaser may provide personal financial, demographic, family, and/or purchasing information in exchange for free or reduced cost shipping of a package. The free or reduced cost shipping may be transaction based, or
30 based upon a credit to be used against multiple shipping transactions. The information may be made available to any interested party, a limited number of parties, the supplier and outlet only, or any one party only. The availability of such information may or may

not be limited in time. The amount of benefits available to the purchaser may be dependent upon the amount of information provided and the extent of its availability to interested parties.

5 A further refinement may involve free or reduced cost shipping, or the exchange of participation of a particular retail outlet as a package pick up site, as described above, in exchange for an agreement to allow the administrator or a third party to track and have information on the purchaser's Internet, television, or other medium, viewing or purchasing experiences. Such information may be obtained, for example, by an agreement to allow "cookie technology" in the individual's computer or other
10 communications device. The benefits available to the purchaser may vary depending upon whether the information provided is made available to others with attribution to the individual, or only made available on a non-attribution basis, when aggregated with data from other individuals.

15 Finally, the administrator may have significant information about a particular purchaser and may further utilize such information. In particular, the administrator will know where the purchaser lives and approximately when the purchaser will travel to pick up a product at a retail outlet. This information may be of interest to stores or merchants along or near the route the purchaser may travel to the retail outlet for the product pick up. Therefore, these stores and merchants may have an interest in
20 direct marketing to this purchaser. This may be of value to both the administrator and any of a number of stores or merchants. Such direct marketing may include e-mail or advertising to the purchaser before, during or after traveling to the retail outlet for product pick up.

25 Additionally, the administrator has the identity of the purchaser and at least the location of the retail outlet along with the approximate time the purchaser will travel to the retail outlet to pick up the product.

Information about the identity of a purchaser when such a purchaser plans to visit a retail outlet and what that purchaser intends to pick up, along with other information, provides to the administrator and the retailer a very powerful tool for
30 customized advertising for a known purchaser with a known product interest. As a result, the system disclosed herein provides a unique marketing tool to the retailer to present focused advertising to the purchaser before, during and after visiting a retail outlet to pick

up a product. The administrator may also benefit from such information by directing to the purchaser e-mail or advertisements from other sellers that may be interested in attracting a particular purchaser to their stores.

5 The invention also benefits the internet, catalogue, or other seller of the product being shipped by lowering shipping costs and creating the economic incentives necessary for physical retailers to participate as package pick up and drop-off sites.

Summarizing, the subject invention provides a method of connecting marketing messages to the purchaser prior to, at the time of, or after product pick up. Marketing messages may be sent to the purchaser using any number of methods
10 including, but not limited to, e-mail, telephone, Internet connection, or individual cable television addresses. Such marketing messages may be sent directly, or through the administrator, from the retailer to the purchaser. Such advertising is a unique form of direct marketing as it combines the purchaser profile described above with the package pick up and because:

- 15 a. marketing is directed to a purchaser who is known to be coming into the store;
- b. the purchaser has chosen the remote location for package pick up;
- c. the time frame within which the customer will come into the store is known;
- 20 d. advertising and direct e-mail can be timed to arrive just before the purchaser comes into the store;
- e. the package pick up experience creates a relationship between the purchaser and the store;
- f. the purchaser wants and needs to receive administrator notices
25 regarding shipping status and delivery, to which can be attached marketing;
- g. the administrator knows who the customer is;
- h. the administrator knows the location of the customer;
- i. the administrator knows what the customer is coming to the store to pick up;
- 30 j. the administrator knows the entity which is shipping the package to the customer.

The administrator may direct to the purchaser e-mail or advertising from

sources unrelated to the remote location based upon the purchaser profile described above including, but not limited to, the type of product, the type of store from which the product was purchased, the type and location of store from which the product will be picked up, and the name and location of the purchaser.

5 The information available to the administrator relating to the purchaser enables unique marketing opportunities for direct marketing from the retailer, or the administrator, or others, to the purchaser since the administrator knows the identity of the purchaser and knows when he/she will be traveling to a certain retail outlet to pick up or drop off a product. The retailer, or other advertisers, may have access to some or all of
10 this information.

Fig. 4 is a flow chart illustrating different aspects of direct marketing in which a retail outlet may participate upon receiving data about an upcoming visit by a purchaser 310. Under one possible scenario, a web page ad may be forwarded to the purchaser at the time shipping is arranged 315. Furthermore, a promotion may be
15 included on a claim check 320 the purchaser would use to pick up or drop off a product. Additionally, another web ad may be generated when, and if, the purchaser checks the status of shipping 325. Additionally, an e-mail ad may be sent to the purchaser along with a notice that the product has been shipped or is en route 330 or at the time the product is delivered to the retail outlet 335. Finally, an e-mail ad may be sent to the
20 purchaser after the product is picked up or dropped off by the purchaser 340.

When the retailer knows a customer will be visiting his/her store within a given time frame to pick up a package, the retailer now has a valuable opportunity to very efficiently focus a marketing effort at an individual known to be visiting the store. This may result not only in additional store purchases by the customer during the visit for
25 package pick up but may result in additional subsequent customer visits and purchases at the retail outlet. Over time, valuable customer loyalty may be developed.

While the mere fact a customer is known to be visiting a retail outlet is sufficient for some level of marketing, at least minimum information about the customer is needed for more focused marketing efforts. As an example, the customer name would,
30 in most cases, provide to the retail outlet - or the administrator - the opportunity to correlate census information for more details about the customer and, as a result, permit the retail outlet an opportunity for more pointed marketing directed at the customer.

Therefore, direct marketing may be tied into a known future event, which would be the visit of a purchaser to an exact retail outlet and the time frame within which such a visit will occur.

It should be appreciated there is value in direct marketing to a purchaser known to be en route to a retail outlet and this value may be appreciated by an unrelated outlet the purchaser may be near en route to the retail outlet. Therefore, as another embodiment of the subject invention, the method of direct marketing discussed herein may also be made available to this unrelated outlet.

In yet another embodiment the invention is directed to a method of providing an automated package receptacle for the receipt, storage and pickup of a package at a retail site and furthermore to a method for providing marketing and other communications to package recipients.

In accordance with the subject invention and directing attention to Fig. 5, an automated package pickup receptacle 500 can be installed in a participating retailer outlet store, or in space provided in a mall or other location. The receptacle may be comprised of banks of see-through plexiglass lockers or compartments 505 slightly larger than airport type lockers. Larger lockers may also be provided at the bottom of the stack.

These receptacles will appeal to retailers who cannot use store personnel for package pickup. They will give such retailers the opportunity to instead provide floor space for the receptacles in order to obtain floor traffic and marketing opportunities. The receptacles will also appeal to malls as a way that they can use vacant space to build mall traffic. The receptacles also present an additional psychological barrier between the shipped product and the pickup retailer, thus reducing any concerns the retailer outlets may have with being associated with defective internet ordered products.

In one scenario, the carrier's driver will be required to transport the packages into the store (or mall) and into the lockers. Carriers will select an empty compartment within the receptacle, swipe the bar code for that compartment, swipe the bar code for the package, put the package into the compartment, and close the door 510. After all packages are placed in empty compartments, the carrier will interface his handheld tracking device with the control station, the doors will be automatically locked, and the information on each package and compartment location will be uploaded to an administrators central computer.

The recipient will have his a claim check scanned, or enter its number, and provide a credit card, a password, or other identification for a double check. A printer will provide a receipt with the store's bar coded promotions plus any in-store credit which had been purchased for free shipping, unless they are already printed on the claim check.

- 5 After the recipient takes the receipt and promotions, then the door to the compartment containing his package will be automatically unlocked. A display will show the box number and a green light over that box will flash. After the door is opened, the light will turn white to indicate an empty box. Recipients may be advised not to open the package in the store because the items may not have a paid sticker.

- 10 Where broadband internet access is cost effective the administrator control station can include a live video connection with a customer service representative. The on-line customer service representative will be able to guide individuals through a shipping or package pickup process using a video camera located at the receptacle site.

- Even without broadband communications and a real time video connection
- 15 with a customer service representative, video outlets at the receptacles will be valuable as a means of enhancing the customer (recipient) relationship with the store, and as a source of additional advertising. When a recipient accesses the system a welcome from the system administrator and the physical store manager can appear. While the central computer is confirming the transaction or printing out credits or promotions, video
- 20 advertising can be supplied. Those advertisements may be either recipient specific, targeted to a certain class of recipients, or provided to all recipients in that store chain, or may be general advertising by any seller of a product or service. All of these messages can be located within a computer located in the receptacle in the physical store and can be updated by data inputted at that store or by internet connection over standard telephone
- 25 lines, when the connection is not being used to verify a specific transaction.

- The automated receptacles present a number of opportunities and challenges. The principal opportunity is to create a low cost and efficient package pickup (and drop off) option by eliminating the need for store personnel. This will result in significantly enhanced marketing fee opportunities as it will no longer need to trade a
- 30 substantial portion of the value of its consumer marketing services for the participating retailer's personnel to check through packages. The receptacles will also create opportunities to dramatically broaden the number and type of participating retailers.

An additional benefit is providing fast and easy package pickup. Recipients will avoid the customer service desk, which can be a bottleneck. Such receptacles may also be placed outside of stores adding to customer convenience by being available twenty-four hours each day and by not requiring an in-store visit, although such
5 elimination of an in-store visit lessens the floor traffic building and marketing value to the retail outlet outside of which the receptacle is located.

For added convenience, in the event the receptacle malfunctions, a retail outlet employee may be provided with a key for access to the receptacle and the compartments.

10 The administrator will profit by selling recipient information and direct marketing services to the retail outlet and others.

Access to certain receptacles may be temporarily suspended when there are insufficient empty compartments for additional in route packages. The receptacles may be modular and scalable so that modules can be added, or deleted, depending upon
15 individual site traffic.

An automated drop-off site will also be included. Because the individual or cottage industry internet seller will have printed out a shipping label with a bar code, the seller will be able to simply swipe the shipping label bar code and drop the package into the drop-off box or empty receptacle. In between these steps the system will confirm
20 that all is in order and unlatch the drop-off box door. Systems for weighing, arranging shipping, and printing out a shipping label at the receptacle may be implemented.

The automated package pickup and delivery receptacles will essentially create an additional product by providing convenient in-store locations from which individuals and cottage industry sellers can ship. The administrator may charge a markup
25 over the shipping cost for providing this product. The marketing to customers known to be coming into the store to drop off or pickup a package creates an entirely new class of marketing opportunities.

By using the receptacles, drivers will have further to travel into a retail outlet or mall with the packages but they will save time by not having to wait for an
30 employee to be available or obtaining a signature.

The receptacles will be an important draw for recipients who prefer a quick and automated pickup location, particularly if the receptacles are conveniently located or are in smaller stores.

5 The invention has been described with reference to the preferred embodiments. Obvious modifications and alterations will occur to others upon reading and understanding the preceding detailed description. It is intended that the invention be construed as including all such modifications and alterations insofar as they come within the scope of appended claims or the equivalents thereof.